ACP-EU COTONOU AGREEMENT

ORGANISATION OF AFRICAN, CARIBBEAN AND PACIFIC STATES

COUNCIL OF THE EUROPEAN UNION

Brussels, 4 September 2023
(OR. en)

ACP-UE 2102/23

COVER NOTE

From:	Mr Georges Rebelo Pinto CHIKOTI, Secretary-General of the Organisation of African, Caribbean and Pacific States (OACPS)
date of receipt:	4 September 2023
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
Subject:	Decisions and resolutions of the 116th session of the OACPS Council of Ministers held in Brussels, Belgium, on 19 and 20 July 2023

Delegations will find attached, for information, the Decisions and Resolutions adopted by the 116th session of the OACPS Council of Ministers held in Brussels, Belgium, on 19 and 20 July 2023.

Organisation of
African, Caribbean and
Pacific States (OACPS)

Organisation des États
d'Afrique, des Caraïbes et
du Pacifique (OEACP)

REFERENCE: ACP/27/003/23 **Brussels, 27 July 2023**
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DECISIONS AND RESOLUTIONS

OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS HELD IN BRUSSELS, BELGIUM

ON 19 AND 20 JULY 2023

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SUMMARY

DECISIONS

.../...

RESOLUTIONS

DECISIONS

DECISION N° 1/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

APPLICATION OF THE REPUBLIC OF MALDIVES TO FORM PART OF THE EAST AFRICA REGION OF THE ORGANISATION OF AFRICAN, CARIBBEAN AND PACIFIC STATES (OACPS)

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium, on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement, as revised in 2019;

HAVING REGARD to the OACPS Luanda Declaration on the 9 December 2022 which grant the Republic of Maldives full membership of the OACPS;

HAVING REGARD to the request of the Republic Maldives to join the East Africa Region of the OACPS;

RECALLING the objectives of unity and solidarity and the role of the OACPS as a forum for formulating and coordinating common positions on global issues; and

BEARING in mind the recommendations of the Committee of Ambassadors in its report to the 115th Session of OACPS Council of Ministers, (ACP/26/066/22 Rev.1).

HEREBY DECIDES TO:

Adopt the recommendation of the Committee of Ambassadors for the Republic of Maldives to form part of the East Africa Region of the OACPS.

Done at Brussels, 20 July 2023

Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 2/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

OACPS DIASPORA CENTER OF EXCELLENCE
IN ABUJA, FEDERAL REPUBLIC OF NIGERIA

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium, on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement, as revised in 2019;

HAVING REGARD to the strong commitment to the objectives and principles enshrined in the revised Georgetown Agreement establishing the Organisation of African, Caribbean and Pacific States in 2019, and its strong commitment to the engagement with the diaspora for the sustainable development of Members of the OACPS;

HAVING REGARD to the Luanda Declaration of the 10th Summit of OACPS Heads of State and Government held on 9 December 2022, entitled, "Three Continents, Three Oceans, One Common Destiny: Building a Resilient and Sustainable OEACP";

WELCOMING with gratitude the offer of the Federal Republic of Nigeria to support the establishment of an OACPS Centre of Excellence for the Diaspora in Abuja; and

NOTING with gratitude the decision of the President of the Federal Republic of Nigeria to granting logistical and material resources for the benefit of the OACPS Centre of Excellence.

HEREBY DECIDES TO:

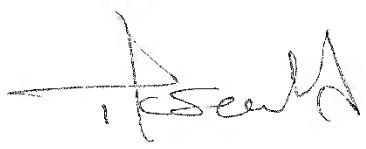
1. **Take note** of the offer of the Federal Republic of Nigeria and **commend** its continued efforts in the interest of the engagement of the OACPS Diaspora to support the sustainable development of its Member States.

.../...

2. **Mandate** the Committee of Ambassadors and the Secretary-General to examine with due diligence the proposal for the opening of an OACPS Centre of Excellence for the Diaspora.

3. **Request** the Committee of Ambassadors to present a report on this matter at the 117th Session of the OACPS Council of Ministers.

Done at Brussels, 20 July 2023



Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 3/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

OACPS SUBMISSION TO THE INTERNATIONAL COURT OF JUSTICE (ICJ) RELATED TO THE UNGA RESOLUTION FOR AN ICJ ADVISORY OPINION ON CLIMATE CHANGE

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium, on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement, as revised in 2019;

HAVING REGARD ALSO to the United Nations Framework Convention on Climate Change (UNFCCC) and its related agreements, the Kyoto Protocol and the Paris Agreement, and other relevant sources of international law, including international human rights law;

RECALLING Decision No. 11/CXIV/22 of the 114th Session of the OACPS Council of Ministers, held on 8 and 9 June 2022, and Decision No.10/CXV/22 of the 115th Session of the OACPS Council of Ministers, held on 27 and 28 November 2022;

FURTHER RECALLING the ACP-EU Joint Parliamentary Assembly Resolution on the global challenges of climate change cooperation for adaptation and mitigation in the wake of COP 27, adopted on 2 November 2022 in Maputo, Mozambique, which called on the EU and its Member States and OACPS countries to adopt the UN General Assembly Resolution at its 77th Session, for an Advisory Opinion from the International Court of Justice on the obligations of States, under international law, to protect the rights of people and individuals of the present and future generations against the adverse effects of climate change;

RECOGNISING paragraph 21 of the Luanda Declaration made by OACPS Heads of State and Government at their 10th Summit, held on 9 December 2022 in Luanda, Republic of Angola, calling on all UN Member States to support the adoption of the UN General Assembly Resolution for an Advisory Opinion from the International Court of Justice;

ACKNOWLEDGING the strong global support for this initiative from governments at all levels, legal experts, academics, technical agencies, youth groups and civil society organisations, which resulted in the successful adoption of UNGA Resolution 77/276 by consensus in March 2023; and

.../...

COMMENDING the Government of Vanuatu for their leadership and ongoing commitment to implement the UNGA Resolution 77/279, including provision of support to OACPS Members and regional agencies to prepare and make submissions to the ICJ.

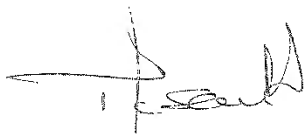
HEREBY DECIDES TO :

1. **Welcome** the UN General Assembly's adoption, by consensus, of the UNGA Resolution 77/276 requesting the International Court of Justice (ICJ) for an Advisory Opinion on the obligations of States, under international law, to protect the rights of peoples and individuals of present and future generations against the adverse effects of climate change.

2. **Commend** the intention of the Committee of Ambassadors to prepare an OACPS written submission, as an international organisation, to the ICJ for an Advisory Opinion on Climate Change, to be submitted to the Registrar of the ICJ, by 20 October 2023, and to provide written comments on other submissions by 22 January 2024.

3. **Task** the Secretariat to work with the Government of Vanuatu, OACPS' Members and Regional Organisations in Africa and the Caribbean to co-host two regional workshops, in and for Africa and the Caribbean, whose aim would be to provide support and information for Member States or regions, to prepare written statements for submission by 20 October, 2023 to the ICJ on the questions before the Court related to an Advisory Opinion on Climate Change.

Done at Brussels, 20 July 2023



Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 4/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

OACPS MULTIDIMENSIONAL VULNERABILITY INDEX AND OACPS MULTIDIMENSIONAL RESILIENCE INDEX

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement, as revised in 2019;

HAVING REGARD ALSO to Article 25 and in particular Annex II of the revised Georgetown Agreement, which establishes the OACPS SIDS Forum as a Subsidiary and Consultative Organ;

RECALLING Paragraphs 74 and 75 of the Nairobi Nguvu Ya Pamoja Declaration issued by OACPS Heads of State and Government at their 9th Summit, held on 9 and 10 December 2019 in Nairobi, Kenya;

RECALLING ALSO Decision No. 5/CXII/21 of the 112th Session of the OACPS Council of Ministers, held on 7 and 8 July 2021, Decision No. 12/CXIII/21 of the 113th Session of the OACPS Council of Ministers, held on 1-3 December 2021, and Decision No. 6/CXIV/22 of the 114th Session of the OACPS Council of Ministers, held on 8 and 9 June 2022;

NOTING WITH CONCERN the use of Gross National Income (GNI) per capita by Multilateral Development Banks and International Financial Institutions (IFIs), as the single criteria, to determine a country's eligibility to access concessional finance, and hence, the need to expedite the development of an OACPS Multidimensional Vulnerability Index (MVI) to inform the work of the UN High Level Panel of the MVI, and support Members of the OACPS advocacy for an MVI tool that complements GNI for eligibility to grant and concessional finance;

TAKING NOTE of the final report of the UN High Level Panel of the Multidimensional Vulnerability Index to be tabled at the UN General Assembly in late July 2023;

REAFFIRMING the need to build the resilience of OACP States against external shocks, through the provision of support measures.

.../...

HEREBY DECIDES TO:

1. **Commend** the work of the SIDS Forum in developing the OACPS Multidimensional Vulnerability Index, to inform Member States' engagement and advocacy, and finalise an official submission to the UN High Level Panel of the MVI Preliminary Results of the UN Multidimensional Vulnerability Index to be considered by the UN General Assembly.

2. **Acknowledge** the outcome and the key features of the OACPS Multidimensional Vulnerability Index (OMVI), which clearly demonstrates that Small Island Developing States (SIDS), Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs) are the most vulnerable country groupings compared to other groups.

3. **Approve** the report on an OACPS Multidimensional Vulnerability Index (OMVI) and task the SIDS Forum to secure requisite support to complete an OACPS thematic OMVI on Climate Change before COP 28.

4. **Approve** the finalisation of an OACPS Multidimensional Resilience Index (OMRI), in time for consideration at the 117th Council of Ministers.

Done at Brussels, 20 July 2023

Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 5/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

OACPS FOOD SYSTEM TRANSFORMATION MECHANISM

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium, on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement, as revised in 2019;

HAVING REGARD to Decision 6/CXII/21 of the 112th Session Council of Ministers Meeting held on 7 and 8 July 2021, on the creation of an OACPS Food System transformation mechanism; and

RECALLING Decision 6/CXII/21 mandating the Committee of Ambassadors to submit a report on a feasibility study on the OACPS Food Systems Transformation Mechanism, envisioned as a cost-effective institutional policy support mechanism to promote sustainable, inclusive, and resilient OACPS food systems.

HEREBY DECIDES TO:

1. **Commend** the Committee of Ambassadors for preparing the draft feasibility study which clarifies the purpose, functions and institutional roles of the OACPS Food Systems Transformation Mechanism, and take note of the overwhelming support for the Mechanism by OACPS' Regional Organisations with competence in food systems.

2. **Task** the Secretariat to complete the feasibility study detailing the governance arrangements and costs of the Mechanism, for consideration by the next Session of the Council of Ministers.

Done at Brussels, 20 July 2023

Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 6/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

THE OACPS-EU SAMOA AGREEMENT, INCLUDING RULES OF PROCEDURES

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement, as revised in 2019;

HAVING REGARD to its previous decisions on the negotiation and conclusion of the Samoa Agreement, which was initialled by the Chief Negotiators on behalf of the negotiating Parties on 15 April 2021;

HAVING REGARD to its deliberations on the Samoa Agreement ;

WHEREAS in the absence of signing and provisional application of the Samoa Agreement by the previous deadline of 30 June 2023, the transition measures of the Cotonou Partnership Agreement were extended until 31 October 2023 to avoid a legal vacuum in OACPS-EU cooperation; and

WHEREAS the EU has on 20 July 2023 adopted a decision on the signature and provisional application of the OACPS-EU Partnership Agreement.

HEREBY DECIDES TO :

1. **Underline** that the delay in signing the Samoa Agreement has impacted its timely and effective implementation and **acknowledge the need** to invigorate efforts to further strengthen the long-standing partnership between the OACPS and the EU.

2. **Take note** of the extension of transition measures until 31 October 2023.

3. **Welcome** the adoption of the decision by the EU on signature and provisional application of the Samoa Agreement.

.../...

4. **Mandate** the Committee of Ambassadors to:

   a. **Engage** the EU side to ensure that the necessary measures are adopted as soon as possible for the signing and provisional application to take place before the deadline of 31 October 2023;

   b. **Conduct** an analysis of the relevant parts of the Agreement and their implications for implementation; and

   c. **Develop** and finalise the rules of procedures for the institutions set up by the Samoa Agreement and its regional Protocols.

5. **Commend** the ACP-EU Parliamentary Assembly (JPA) for its unrelenting support and positive attitude towards the expeditious signing of the Samoa Agreement, and for approving the new rules of procedures for the ACP-EU JPA.

6. **Commend** the Independent State of Samoa for its patience and continued willingness to host the signing of the Samoa Agreement and **Call on** the OACPS and EU to ensure highest possible Ministerial level participation at the signature ceremony.

7. **Further commend** the President of the Summit, the President of the Council of Ministers, the Chair of the Committee of Ambassadors and the Secretary-General and their respective teams for their initiatives and intense efforts to resolve the problem of the delay in signing the OACPS-EU Samoa Agreement.

8. **Instruct** the Secretary-General to convey this decision to the European Council, European Commission, European External Action Services, European Parliament and High Representative of the European Union for Foreign Affairs and Security Policy and Vice President of the European Commission, the African Union Commission and OACPS Regional Organisations.

Done at Brussels, 20 July 2023

Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 7/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

GUARANTEEING OACPS MARKET ACCESS UNDER THE NEW EU REGULATIONS AND DIRECTIVES ON SUSTAINABILITY

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement, as revised by Decision No. 1/CX/19 of the 110th Session of the ACP Council of Ministers held in Nairobi, Kenya, on 7 December 2019, and endorsed by 9th Summit of the Heads of State and Government held in Nairobi on 9 - 10 December 2019;

REAFFIRMING our commitment to the global sustainability agenda in pursuit of sustainable development Goals;

RECALLING the Resolution adopted by the 42nd Session of the ACP-EU Joint Parliamentary Assembly (JPA) on, "Ensuring market access for OACPS commodity producing countries";

RECALLING the Emerging Priorities from the Stakeholder's Dialogue Workshop on the Corporate Sustainability Due Diligence Directive (CS3D), hosted by the OACPS Secretariat, European Commission, International Trade Centre and International Coffee Organisation, held from 26 - 27 April 2023;

HAVING REGARD to the recommendations from the Study on the impact of the EU Legislation on OACPS exports, notably the Carbon Border Adjustment Mechanism (CBAM), the Deforestation Regulation and Corporate Sustainability Due Diligence Directive;

.../...

HAVING REGARD to the OACPS Secretariat's Note on the Criteria and Modalities for identifying Multi-country OACPS programmes to be funded under the EU's Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe);

NOTING that on 16 May 2023, the European Council adopted the Regulation on Deforestation-free products[1] and on 1 June 2023, the European Parliament adopted its position on the Directive on Corporate Sustainability Due Diligence; and

SERIOUSLY CONCERNED that the Market Access obtained under the Economic Partnership Agreement (EPAs) and Everything But Arms (EBA) trade regimes is becoming increasingly more restrictive and stringent in view of the new directives and regulations on sustainability.

HEREBY DECIDES TO:

1. **Instruct** the Committee of Ambassadors to expediate the finalisation of the Criteria and Modalities for identifying Multi-Country OACPS Programmes to be funded under the NDICI - Global Europe, and further engage the European institutions to review the implementation process by taking into account specific concerns of OACPS Countries.

2. **Invite** the Secretariat to start developing a Multi-Country OACPS Programme on Accompanying Measures, aimed at supporting OACPS Members adapt to the new EU Rules and Regulations on Sustainability, based on their needs and priorities.

3. **Mandate** the Committee of Ambassadors to engage with the European Council, Parliament and other stakeholders with a view to seeking support for a programme on accompanying measures to respond to development priorities of the OACPS and guaranteed market access into the EU.

.../...

[1] The Regulation aims at ensuring that products sold in the European Union do not come from deforested or degraded land. It will apply to cattle, cocoa, coffee, palm oil, rubber, soya, and wood and their derivative products such as leather, chocolate, charcoal and printed paper.

4. **Encourage** OACPS to share their experience with regard to implementation of the new regulations with a view to finding solutions to challenges faced.

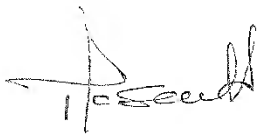
5. **Call** on Member States to follow up on the recommendations outlined in the Study on the Impact of the EU legislation on OACPS exports (summary annexed.)

6. **Keep** this matter as a standing agenda item on the meetings of the OACPS Council of Ministers to enable countries share experiences for collective solutions to challenges faced.

7. **Request** the Secretariat to organise a Ministerial Consultation on Trade, Commodities ,Value Chains and investment by the end of 2023.

8. **Instruct** the Secretary-General to convey this decision to the Council of the European Union, European Commission, European External Action Services, European Parliament and High Representatives of the European Union for Foreign Affairs and Security Policy and Vice President of the European Commission, the Africa Union Commission and OACPS Regional Organisations.

Done at Brussels, 20 July 2023



Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 8/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

CRITICAL RAW MATERIALS

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement, as revised by Decision No. 1/CX/19 of the 110th Session of the ACP Council of Ministers held in Nairobi, Kenya, on 7 December 2019, which emphasises that achieving sustainable development of OACPS Members can only be done through the transformation of their economies, including by taking advantage of the benefits of regional trade, intensifying trade cooperation and trade facilitation;

RECALLING the ongoing initiatives to promote value addition and beneficiation of raw materials at the Continental and regional levels being pursued by the African Union, the Caribbean Community (CARICOM) / Caribbean Forum (CARIFORUM) and the Pacific Island Forum (PIFs);

NOTING that the EU Regulation on Critical Raw Materials proposed on 16 March 2023, places a lot of emphasis on securing critical raw materials from third countries such as OACPS Countries, in view of the EU green and digital transition; and

REITERATING it's call on the European Union to support OACPS Members in their quest to promote raw material beneficiation, industrialisation, value addition and technology transfer including for the clean energy sector as well as ensuring that OACPS Members States play a more significant role in Global value Chains (GVC) through equal trade.

.../...

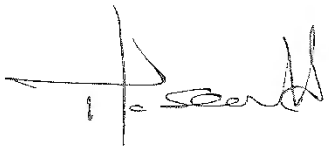
HEREBY DECIDES TO:

1. **Mandate** the Committee of Ambassadors and Secretary-General to prepare an OACPS position paper outlining options for an OACPS approach to the EU regulations on Critical Raw Materials and in this respect to convene as soon as possible an OACPS Experts meeting to submit concrete proposals and recommendations on issues of strategic interest to the Members of the OACPS.

2. **Mandate** the Committee of Ambassadors to convene as soon as possible a special sectorial Ministerial Meeting to consider the report and recommendations from the Expert Group and, on the basis of the outcome, request the convening of a Joint OACPS- EU Ministerial meeting.

3. **Request** the Committee of Ambassadors to report to the 117th Session of the OACPS Council of Ministers.

Done at Brussels, 20 July 2023



Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 9/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD ON 19 AND 20 JULY 2023

ORGANISATION OF THE AFRICAN, CARIBBEAN AND PACIFIC STATES (OACPS) RELATIONS WITH THE UNITED KINGDOM, INDIA, CHINA, THE GULF COOPERATION COUNCIL AND OTHERS

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium on 19 and 20 July 2023,

HAVING REGARD to the Revised Georgetown Agreement, in particular Article 34 - "Conduct of External Relations", Chapter XII – "Foreign Relations" which stipulates that the OACPS may conclude agreements with external countries or sub-regional, regional and international organizations and institutions;

HAVING REGARD to the United Kingdom's (UK) withdrawal from the European Union (EU) on 31st January 2020 also known as BREXIT;

RECALLING the joint meeting of OACPS Ambassadors and High Commissioners in London on the potential impact of BREXIT on OACPS-UK trade relations, 18 May 2021, as well as the EPA continuity agreement that the UK has concluded with a number of OACP Member States;

FURTHER RECALLING the measures taken by the British government to avoid trade disruptions with OACPS Members, including the **'Cross-Border Trade Act'**, which allows the UK to continue granting non-reciprocal market access to developing countries; and

HAVING ALSO REGARD to the number of Memoradum of Understanding (MOUs) already signed between the OACPS and some third countries and the ongoing cooperation with India and Indonesia etc, as well as discussions held with other potential partner countries and institutions like China, India, the Gulf Cooperation Council (GCC), etc.

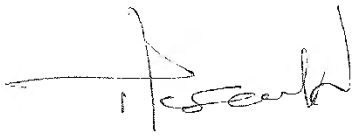
.../...

HEREBY DECIDES TO:

1. **Mandate** the OACPS Committee of Ambassadors to develop Terms of References (ToR) with a view to exploring future partnership with other countries, including United Kingdom, India, China, the Gulf Cooperation Council (GCC) and propose procedures for the conclusion of Agreements as provided for in Article 34 of the Revised Georgetown Agreement.

2. **Request** the Committee of Ambassadors to report to the 117th Session of the OACPS Council of Ministers.

Done at Brussels, 20 July 2023



Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 10/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

PILLAR ASSESSMENT OF THE OACPS SECRETARIAT

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium, on 19 and 20 July 2023,

HAVING REGARD to Article 29 of the Georgetown Agreement, as revised by Decision No. 1/CX/19 of the 110th Session of the Council of Ministers of the OACPS held on 7 December 2019 in Nairobi, Kenya and approved by the 9th Summit of Heads of State and Government held on 9 and 10 December 2019 in Nairobi; and

CONSIDERING the report of the OACPS Committee of Ambassadors to the 116th Session of the OACPS Council of Ministers on Pillar compliance [ACP/26/052/23 Rev.1].

HEREBY DECIDES TO:

1. **Mandate** the Secretariat to expedite action on the pillar assessment of the OACPS Secretariat in order to ensure successful completion in compliance with the EU regulations, and to enhance the reputation and dependability of the Secretariat when engaging with international partners for the purpose of mobilising and managing resources.

2. **Mandate** the Committee of Ambassadors to submit a progress report at the next session of Council.

Done at Brussels, 20 July 2023

Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 11/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

FINANCIAL SITUATION OF THE OACPS SECRETARIAT

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium, on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement, as revised by Decision No. 1/CX/19 of the 110th Session of the ACP Council of Ministers, held in Nairobi, Kenya, on 7 December 2019, and endorsed by the 9th Summit of the ACP Heads of State and Government, held in Nairobi, Kenya, from 9 to 10 December 2019;

HAVING REGARD to the Georgetown Agreement, in particular Article 30 (5), which stipulates that "Each Member State shall contribute to the Budget in accordance with the above provisions and Scale of Contributions established by the Council of Ministers";

HAVING REGARD to Council of Ministers Decision No. 4/CVI/17 adopting the revised scale of contributions based on the principle of burden-sharing and the capacity to pay of each Member State;

HAVING REGARD to Article 6a (3) of the Financial Regulations of the OACPS Secretariat, which requires Member States to pay at least fifty per cent (50%) of their assessed contributions by 31 March each year;

CONSIDERING the Report of the Committee of Ambassadors to the 116th Session of the OACPS Council of Ministers [ACP/26/052/23 Rev.1]; and

DEEPLY CONCERNED about the declining trend in contributions from Member States in breach of the Financial Regulations.

.../...

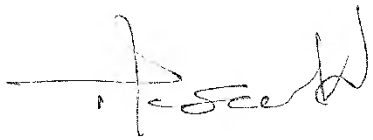
HEREBY DECIDES TO:

1. **Urge** Member States to honour their obligations as provided for in the Financial Regulations and in accordance with the revised Georgetown Agreement.

2. **Instruct** the Committee of Ambassadors and the Secretary-General to strictly apply the regime of sanctions provided for in Annexe I of the Georgetown Agreement.

3. **Mandate** the Committee of Ambassadors and the Secretariat to explore other options and opportunities to enhance the financial sustainability of the Organization.

Done at Brussels, 20 July 2023



Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 12/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

RECRUITMENT OF AN EXTERNAL AUDIT FIRM

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium, on 19 and 20 July 2023,

HAVING REGARD to Article 29 of the Georgetown Agreement, as revised by Decision No. 1/CX/19 of the 110th Session of the Council of Ministers of the OACPS held on 7 December 2019 in Nairobi, Kenya and approved by the 9th Summit of Heads of State and Government held on 9 and 10 December 2019 in Nairobi;

HAVING REGARD to Article 18 (c) and (h) and Article 19 (b) of the Financial Regulations of the OACPS Secretariat [ACP/45/018/03/ Rev.6]; and

CONSIDERING the report of the OACPS Committee of Ambassadors to the 116th Session of the OACPS Council of Ministers on the External Auditor's report for the year ended 31 December 2022 [ACP/26/052/23 Rev.1].

HEREBY DECIDES TO:

Mandate the Committee of Ambassadors to finalize the recruitment of an Audit Firm as external auditors of the Secretariat's accounts for 2022 to 2027.

Done at Brussels, 20 July 2023

Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 13/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

OACPS SMALL ISLAND DEVELOPING STATES (SIDS) –LED INTERNATIONAL RESOURCE MOBILISATION CONFERENCE FOR FINANCING NATIONALLY DETERMINED CONTRIBUTIONS

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium, on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement, as revised in 2019;

HAVING REGARD ALSO to Article 25 and in particular Annex II of the revised Georgetown Agreement, which establishes the OACPS SIDS Forum as a Subsidiary and Consultative Organ;

RECALLING Decision No.12/CXIII/21 of the 113th Session of the OACPS Council of Ministers, held on 30 November, 1 and 2 December 2021, Decision No. 6/CXIV/ of the 114th Session of the OACPS Council of Ministers, held on 8 and 9 June 2022, and Decision No. 8 of the 115th session of the OACPS Council of Ministers, held on 27 and 28 November 2022 mandating the Committee of Ambassadors to: support efforts to mobilise financial resources, including climate finance to address increasing vulnerabilities of OACPS SIDS; set up a working committee for the Conference; and, ensure requisite resources are secured to enable the Secretariat, to provide the necessary technical assistance and support needed for convening the Conference;

RECALLING ALSO Paragraph 20 of the Luanda Declaration by OACPS Heads of State and Government at their 10th Summit, held on 9 December 2022 in Luanda, Republic of Angola, deciding to organise, in 2023 a SIDS International Resource Mobilisation Conference to secure pledges to finance our Nationally Determined Contributions (NDCs);

TAKING INTO ACCOUNT the approval by the 3rd Special Meeting of the SIDS Forum on 9 May 2023 and Special Meeting of the Committee of Ambassadors on 11 May 2023 of the Concept Note and the Terms of Reference for the Ambassadorial Working Group for the OACPS SIDS-led International Resource Mobilisation Conference; and

RECOGNISING the opportunity presented by the UN Fourth International Conference on Small Island Developing States (SIDS) to be held in Antigua and Barbuda from 27 – 31 May 2024.

.../...

HEREBY DECIDES TO:

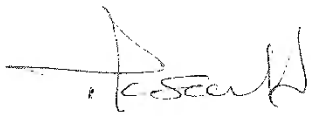
1. **Note** the progress of work undertaken to prepare for the SIDS-led International Resource Mobilisation Conference to secure requisite resources to implement Nationally Determined Contributions (NDCs) of Members of the OACPS.

2. **Urge** SIDS Regions, LDCs and LLDCs to submit nominations as soon as possible to finalise the OACPS Ambassadorial Working Group to lead efforts to prepare and convene the OACPS SIDS-led International Resource Mobilisation Conference.

3. **Postpone** the OACPS SIDS-led International Resource Mobilisation Conference to the first half of 2024.

4. **Ensure** requisite resources to convene the OACPS SIDS-led International Resource Mobilisation Conference are allocated in the 2024 OACPS Budget to be tabled at the 117th Session of the OACPS Council of Ministers.

Done at Brussels, 20 July 2023



Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 14/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

THE OACPS AT 50: FUTURE PERSPECTIVES

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium, on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement, as revised in 2019;

HAVING ALSO REGARD to Declarations of Summits of OACPS Heads of State and Government, and especially the Luanda Declaration of the 10th Summit held in Luanda, Republic of Angola on 9 December 2022;

RECALLING the recommendations of the policy framework document, ***"Towards the ACP We Want"***;

RECALLING ALSO other over-arching policy documents guiding the work of the OACPS, including the 2030 Agenda for Sustainable Development, the Paris Agreement on Climate Change, the Addis Ababa Action Agenda; Africa's Agenda 2063, and the respective development frameworks of the Caribbean and Pacific Regions;

HAVING REGARD to OACPS-EU Samoa Agreement (2023?), which was initialled by the Chief Negotiators on behalf of the negotiating Parties on 15 April 2021; and

WELCOMING the initiatives of the OACPS Committee of Ambassadors to constitute an Ambassadorial Working Group and to organise an Ambassadorial Retreat in 2023 to discuss future perspectives of the OACPS, taking note of the prospectives and recommendations made by Members States during the 116th Session of OACPS Council of Ministers.

.../...

HEREBY DECIDES TO:

1. **Mandate** the Committee of Ambassadors:

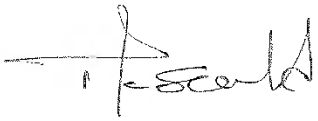
   (i) to develop an appropriate Terms of Reference (ToR) for the Ambassadorial Working Group on the OACPS at 50, and

   (ii) to prepare a policy framework responding to OACPS challenges and opportunities.

2. **Mandate** the OACPS Secretariat to allocate the necessary financial resources to engage an independent expert to assist in the review of the OACPS at 50 and to prepare a report for consideration by the Ambassadorial Working Group on the 'OACPS at 50' and Future Perspectives.

3. **Request** the Committee of Ambassadors to report to the 117th Session of the OACPS Council of Ministers.

Done at Brussels, 20 July 2023



Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 15/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

OACPS INITIATIVE FOR A NEW FINANCE MOBILISATION SCHEME

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium, on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement as revised in 2019;

REFERRING to the OACPS Luanda Declaration on 9 December 2022, addressing current global challenges, to task the OACPS Secretariat with supporting to secure access to climate finance, including readiness Grants from the Green Climate Fund. Further to support the efforts of members to access the newly set up Resilience and Sustainability Fund (RSF);

DESIROUS of meeting the challenges to development finance for OACPS countries in times of multiple crisis;

CONCERNED with the need to work on creative financing to meet these challenges;

IN LIGHT OF the need to speed up the prospect to meet SDGs goals;

NOTING the recent challenges faced by the member countries in mobilizing finance that could meet the multiple crisis they faced (COVID 19 pandemic, debt stress and climate change); and

.../...

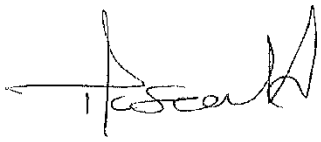
TAKING NOTE of the new global shift in financing modalities including green financing and mitigating debt stress.

HEREBY DECIDES TO :

1. **Approve** the OACPS Resource Mobilisation Strategy and **mandate** the Committee of Ambassadors and the Secretariat to implement it; and

2. **Mandate** the Committee of Ambassadors to conduct a study and propose possibilities for holding a resource mobilization conference for OACPS in the year 2025.

Done at Brussels, 20 July 2023



Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 16/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

INTERNATIONAL TAX GOVERNANCE AND COMBATING MONEY LAUNDERING AND THE FINANCING OF TERRORISM

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement, as revised in 2019;

Having regard to the Georgetown Agreement as revised by Decision No. 1/CX/19 of the 110th Session of the ACP Council of Ministers, which entered into force on 5 April 2020;

HAVING REGARD TO the ACP-EU Cotonou Partnership Agreement, as extended, in particular Articles 8 and 12 of the Partnership Agreement between the Members of the Organisation of African, Caribbean and Pacific States (OACPS) and the European Union and its Member States;

HAVING REGARD TO Decision No. 3/CXI/20 of the Extraordinary Session of the Council of Ministers of 28 July 2020 establishing the OACPS Ad Hoc Ministerial Contact Group on the EU List of non-cooperative jurisdictions for tax purposes and of third countries regarding Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT);

HAVING REGARD TO the OACPS Joint Strategy and the List of recommendations concerning the European Union's lists of non-cooperative jurisdictions for tax purposes and of high-risk third countries with strategic deficiencies in their regime on AML/CFT;

HAVING REGARD TO the report ACP/81/059/22 Rev.2 dated 8 June 2022 of the OACPS Ad Hoc Ministerial Contact Group on the EU List of non-cooperative jurisdictions for tax purposes and on third countries regarding AML/CFT, and to the report ACP/81/010/23 Rev.2 of 28 January 2023 of the OACPS Workshop on Tax Good Governance and AML/CFT recommending a review of the Contact Group's mandate;

HAVING REGARD to the resolution of the ACP-EU Joint Parliamentary Assembly of 28 June 2023 on the EU list of non-cooperative jurisdictions for tax purposes and the AML/CFT list of third countries (ACP-EU/103.282/23/Final/rev);

.../...

HAVING REGARD to the resolution of the General Assembly of 30 December 2022 on promoting inclusive and effective international cooperation in tax matters at the United Nations (A/RES/77/244);

HAVING REGARD to the report ACP/81/066/23 of 18 July 2023 of the OACPS Ad Hoc Ministerial Contact Group on the EU List of non-cooperative jurisdictions for tax purposes and on third countries regarding LBC/FT at the 116th Session of the Council of Ministers;

CONCERNED BY the EU's unilateral policy and approach to AML/CFT and tax governance, and by the proliferation of lists by international organisations, such as the Organisation of Economic Cooperation and Development (OECD) and Financial Action Task Force (FATF), and third countries;

CONSIDERING that the lists of so-called non-cooperative jurisdictions for tax purposes and those of countries for AML/CFT purposes affect more and more OACPS countries, and that no member country is immune from this list strategy; and

CONSIDERING that the challenges related to international tax governance and AML/CFT have become permanent issues, and that it is essential to adapt the OACPS' approach to deal more effectively with the changing context.

HEREBY DECIDES TO:

1. **Create** a Ministerial Working Group (MWG) on international tax governance and AML/CFT. The Ministerial Working Group may delegate any of its responsibilities to a Working Group of a similar nature created at the Committee of Ambassadors' level.

2. **Mandate** the Ministerial Working Group to engage in a dialogue with the European Union (EU) and any other international organisation or third country on international tax governance and AML/CFT, including the list of so-called non-cooperative jurisdictions for tax purposes and on the AML/CFT country list, in light of the inclusion of Members of the OACPS in such lists, with a view to reaching mutually acceptable solutions to protect their economic, financial and fiscal interests.

.../...

3. **Agree** that the Ministerial Working Group is composed of representatives of Members of the OACPS, preferably those affected by the lists. It operates at ministerial level as a Ministerial Working Group, and at Ambassadorial level as a Ambassadorial Working Group. The MWG reports to the Council of Ministers.

4. **Instruct** the Secretariat to draft terms of reference specifying the composition and operating procedures of the Ministerial Working Group.

5. **Repeal** Decision No. 3/CXI/20 of 28 July 2020, establishing the OACPS Ad Hoc Ministerial Contact Group on the EU List of non-cooperative jurisdictions for tax purposes and on third countries regarding AML/CFT, which shall take effect from the date of its signature.

6. **Instruct** the Secretary-General to forward this decision to the President of the EU Council, the President of the European Commission and the President of the European Parliament.

Done at Brussels, 20 July 2023

Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

DECISION N° 17/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

2022 FINANCIAL CONTROLLER'S REPORT

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium, on 19 and 20 July 2023,

HAVING REGARD to the Georgetown Agreement, as revised in 2019;

HAVING REGARD to the Financial regulations of the OACPS Secretariat; and

CONSIDERING the report of the OACPS Committee of Ambassadors on the 2022 Financial controller's report to the 113th Session of the OACPS Council of Ministers.

HEREBY DECIDES TO:

Mandate the Audit and Budget Committee to follow up on the recommendations of the 2022 Financial controller's report and recommend that a report be submitted to the next session of Council by the Committee of Ambassadors on the implementation of the Financial Controller's report.

Done at Brussels, 20 July 2023

Hon. Mahen Kumar SEERUTTUN
Minister of Financial Services and Good Governance of Mauritius
President of the OACPS Council of Ministers

RESOLUTION

RESOLUTION N° 1/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

STRATEGY AND PRIORITIES FOR THE ANGOLA PRESIDENCY OF THE 10TH SUMMIT OF OACPS HEADS OF STATE AND GOVERNMENT

The OACPS Council of Ministers,

- Meeting held in Brussels, Belgium, on 19 and 20 July 2023;

A. HAVING REGARD to the Georgetown Agreement, as revised in 2019;

B. HAVING REGARD to the outcome document of the 10th Summit of the OACPS Heads of State and Government – the OACPS Luanda Declaration; and

C. COMMENDING ANGOLA for their commitment and dedication to advancing the objectives of the OACPS.

HEREBY RESOLVE TO:

1. **Take note** of the strategy and priorities of the Republic of Angola as the President of the 10th Summit of the OACPS Heads of State and Government for the period 2023 – 2025.

2. **Requests** the Committee of Ambassadors to support the implementation of the strategy and priorities for the Angolan Presidency with a view to provide progress and update to the next meeting Council of Ministers.

Done at Brussels, 20 July 2023

RESOLUTION N° 2/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

ADVANCING THE BRIDGETOWN INITIATIVE

The OACPS Council of Ministers,

Meeting in Brussels, Belgium on 19 and 20 July 2023,

A. **HAVING REGARD** to the Georgetown Agreement, as revised in 2019;

B. **RECALLING** Paragraphs 16 - 18 of the Luanda Declaration by OACPS Heads of State and Government adopted at their 10th Summit in Luanda, Republic of Angola, on 9 and 10 December, 2022, that "welcomed the financing solution proposed by the 2022 Bridgetown Initiative' which seeks a reform of the global financing architecture, for developing countries".

C. **SUPPORTING** the COP 27 'Sharm El-Sheikh Implementation Plan', which, inter alia, called for the shareholders of multilateral development banks and international financial institutions to urgently reform multilateral development bank practices and priorities; and called on the international community to provide grants and highly concessional financing for building resilience and sustainability;

D. **FURTHER RECALLING** Decision No. 8/CXV/22 of the 115th Session of the OACPS Council of Ministers, held on 27 and 28 November, 2022, which also supported the Bridgetown Initiative;

E. **HAVING REGARD** to the outcomes of the Summit on a New Global Financing Pact, held in Paris, France, on 22 and 23 June, which gathered public and private actors who affirmed their collective determination to address the joint climate, nature and development challenges through increased global cooperation. And which also called for an update to the international financing system – almost 80 years after the creation of the Bretton Woods institutions – and for the improvement and protection of global public goods necessary to secure and heal the planet while ensuring affordable financing for the poorest;

.../...

F. **MINDFUL** that the time had come to work collectively for the articulation of a restructuring of the global financial architecture, as a response to the existential threats facing climate vulnerable developing countries, and that the Bridgetown Initiative represents an important contribution in putting forward recommendations for consideration;

G. **NOTING** the following six key action areas of the Bridgetown Initiative designed to develop concrete steps to support all developing countries:

i) Provide immediate liquidity support including re-channeling at least $100 billion of Special Drawing Rights through the IMF and multilateral development banks;

ii) Restore debt sustainability in the short-term and support countries in restructuring their debt with long-term low-interest rates;

iii) Increase financing flows from all sources to support investments in the Sustainable Development Goals (SDGs);

iv) Mobilize more than $1.5 trillion per year of private sector investment in the green and sustainable transformation;

v) Evolve international financial institutions to ensure they are equipped to support the 2030 Agenda and make them more representative, equitable, and inclusive; and

vi) Ensure that the multilateral trading system supports global green, sustainable and just transformations.

H. **NOTING FURTHER** the call for an integrated development and resilience strategy to achieve the 2030 Sustainable Development Agenda and the SDGs;

.../...

I. **REAFFIRMING** that the Bridgetown Initiative is closely aligned with the goals of the OACPS as well as the work and objectives of existing UN processes on the financing for development agenda, including the "Financing for Development in the Era of COVID-19 and Beyond Initiative";

J. **EXPRESSING** concern that, while climate change affects all individuals and communities around the world, its adverse effects will be felt most acutely by those segments of the population that are already exposed to different vulnerable situations, owing to factors including geography, poverty, gender, age, indigenous and minority groups, and disability;

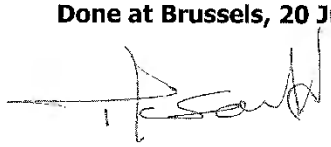
K. **INVITING** the Member States of the European Union to join in supporting the Bridgetown 2.0 Initiative in the 78th Session of the United National General Assembly.

HEREBY RESOLVES TO:

1. **Call** on all UN Member States in the 78th Session of the United Nations General Assembly to support the Bridgetown 2.0 Initiative and implementation of its six key actions, as a means to ensure effective reforms of the global financial architecture and multilateral development banks are fully realised. This is aimed at unlocking and scaling-up grant and concessional finance to address inherent vulnerabilities of developing countries to exogenous shocks such as the ongoing climate emergency, burgeoning public debt, post COVID-19 pandemic recovery, and to support green transition and digital transformation, as well as the attainment of the SDGs.

2. **Call** on OACPS Members and the Secretariat to support advocacy and engagement on advancing implementation of the Bridgetown 2.0 Initiative in relevant UN, and other multilateral and regional processes including at the G20 Summit in New Delhi (September 2023), , the African Climate Summit in Nairobi (September, 2023), the UNSG Climate Ambition Summit, SDG Summit and the 78th Session UNGA in New York (September 2023), the Annual Meeting of the IMF and World Bank in Marrakech (October, 2023) and the Climate COP 28 in Dubai (November/December 2023), and future relevant meetings.

Done at Brussels, 20 July 2023



RESOLUTION N° 3/CXVI/23
OF THE 116th SESSION OF THE OACPS COUNCIL OF MINISTERS
HELD IN BRUSSELS, BELGIUM, ON 19 AND 20 JULY 2023

HUMANITARIAN AND SECURITY SITUATION IN HAITI

The OACPS Council of Ministers,

Meeting on 19 and 20 July 2023 in Brussels (Belgium),

HAVING REGARD to the security situation in the country, which is marked by escalating violence perpetrated by armed gangs who control a large part of the territory;

HAVING REGARD to the shortage of personnel and equipment in the National Police and its inability to curb the criminal activities that are causing serious political, economic, and social crises; and

HAVING REGARD to the worsening living conditions.

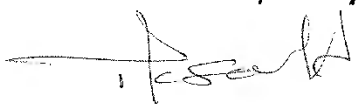
HEREBY RESOLVE TO :

1. **Reiterate** the solidarity of the OACPS with the people and Government of Haiti.

2. **Support** the efforts by the United Nations, in particular the appeal launched by its Secretary-General following his visit to Port-au-Prince on 1 July 2023, calling in particular for the deployment of an international force in Haiti to help the national police force deal with the criminal gangs.

3. **Call on** OACPS Member States and their partners to provide practical assistance to Haiti to help restore law and order, deliver humanitarian aid and re-establish democratic order through the holding of inclusive and transparent elections.

Done at Brussels, 20 July 2023



ANNEX TO

DECISION N° 7/CXVI/23

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GUARANTEEING OACPS MARKET ACCESS UNDER THE NEW EU REGULATIONS AND DIRECTIVES ON SUSTAINABILITY

Summary of main findings and recommendations

		Proposal for a CBAM	Regulation on Deforestation	Directive on CSDD
Critical review	Background	Adopted by the EC on 14 July 2021, by the EU Parliament (EP) on 22 June 2022. Currently at the general approach ('trilogue' stage. Could be voted into law by the end of the year	Published on 17 November 2021, adopted by the EU Council on 28 June, 2022. ENVI adopted its position on the Proposal on 12 July 2022, with amendments requiring companies to respect human rights and the rights of indigenous people.	The last of the legislative proposals – adopted by the EC on 23 February 2022. Little further movement on the proposal, yet it is expected to be transposed into law before the end of the year and enter into force in 2024.
	Scope	Initially covered 5 sectors - cement, aluminum, iron and steel, fertilizers and electricity. EP recommendation to extend coverage to organic chemicals, hydrogen, plastics and ammonia, possibly more.	Initial 6 targeted commodities – cocoa, coffee, palm oil, soy, beef and wood. Could be extended to cover pig meat, poultry and other live animals, maize, charcoal and paper.	Concerns 'large' EU companies, or smaller companies operating in designated high-risk sectors: agriculture and agro-processing, and agricultural whole trade; footwear, textiles and clothing; the extractive industry.
	Modus operandi	EU importers required to declare volume of CBAM goods imported and the amount of embedded emissions, and surrender CBAM certificates of a value equal to the carbon price of emissions, as determined by the EU ETS. This is equivalent to paying a carbon tax on imports.	Importers of covered goods into the EU must submit a due diligence statement confirming that such goods are deforestation-free and have been produced according to national and international laws. A benchmarking system will categorize originating countries as presenting high, standard, or low risk of deforestation. Countries in the last group will be subject to simplified due diligence and face lower compliance costs.	Companies must identify, prevent, mitigate and account for adverse human rights and environmental impacts in their operations and in their supply chains. Directors have a 'duty of care' obligation.
	Possible issues	1. Risks of retaliation by affected third countries	1. The benchmarking system discriminates among countries and can be challenged at the WTO.	1. The Directive's singular approach to due diligence in the areas of both human rights and the environment is problematic since they are inherently different and require separate tools.
		2. WTO compatibility questioned by critics	2. Risk that exports to the EU are diverted from high-risk to low-risk	2. The lack of a reference point on internationally-recognized standards

		Proposal for a CBAM	Regulation on Deforestation	Directive on CSDD
			countries. This can affect the reputation of the latter.	covering all environmental impacts should be addressed.
		3. May be in violation of the 'Common But Differentiated Responsibilities' (CBDR) principle enshrined in the Paris Agreement since it makes no concessions to LDCs	3. The Regulation does not address the root causes of deforestation in the ACP region, much of which is driven by poverty, unfair land rights, and climate change.	3. The Directive requires extending the due diligence obligation down the value chain to 'established business relationships'. This requires companies to map their entire value chain – a rather onerous requirement.
		4. Not clear how CBAM revenues will be used.		
Potential impacts	General	1. As an implied tariff of more than 6% on covered imports, the CBAM erodes ACP countries preferential margin under EBA, EPAs or GSP+	1. Increasing risk of poverty, especially in Africa and among smallholder farmers	Possible positive impacts: 1. Improved human rights and environmental practices in the ACP in the long run. 2. Increased adoption of international certifications and standards.
		2. Simulation results show that the EU gains, in part at the expense of ACP countries, such as South Africa. However, a major limitation of these models is that they exclude LDCs from the CBAM.	2. The Regulation can accelerate the decline in ACP palm oil exports to the EU, already under pressure from the REDD+ program.	Possible negative impacts: 3. Burden of compliance costs may be shifted down to smaller ACP suppliers. ACP countries will need to invest in appropriate legislative, institutional and infrastructure capacities to help their firms comply with the Directive
		3. Trade impacts will affect income, output and employment. For example, the CBAM could cause the global demand for aluminum to fall and its price to rise. This will hurt downstream sectors, and cause loss of jobs and income.		4. Reduced competitiveness of ACP producers as compliance costs are passed down to them. 5. Shifts in EU sourcing (to avoid 'problem' countries/suppliers) at the expense of ACP producers

		Proposal for a CBAM	Regulation on Deforestation	Directive on CSDD
	ACP-focused impacts	Three products - aluminum, iron and steel, and fertilizers - likely to be most impacted by the CBAM.	Analysis shows that 16 ACP countries, 13 of which from Africa, are most likely to be impacted. They include: Cocoa (Cote d'Ivoire, Ghana, Nigeria, Cameroon, Dom. Rep.) Coffee (Uganda, Ethiopia, Kenya, Tanzania, PNG) Palm oil (PNG, Cote d'Ivoire, Solomon Islands, Gabon) Soy (Nigeria, Togo, Ethiopia, Uganda, Benin, Burkina Faso) Wood (Cameroon, South Africa, Gabon, Cote d'Ivoire, Nigeria) Beef (Namibia, Botswana, South Africa, Kenya)	Given the breadth of the Directive's scope, many ACP countries/businesses could potentially be impacted
		Countries most exposed are: Aluminum (Mozambique, Cameroon, Ghana, South Africa, Africa), Iron and steel (Zimbabwe, Dominican Rep., Zambia, South Africa), fertilizers (T&T)		The majority of affected countries still come from Africa, but there are now more countries from the other two regions than in the case of the two Regulations. In addition to several LDCs, many of the countries in the footwear and garment sectors are small economies, such as Cabo Verde, Lesotho, Mauritius and Haiti.
		Most of these countries are African mineral-rich economies; there is no Pacific country on the list	The most affected commodities are cocoa and coffee, and to a lesser extent, soy and palm oil. Cote d'Ivoire and Uganda will be heavily impacted (especially given their high rates of deforestation), but smaller countries like Togo and the Solomon Islands may also be severely hit.	
Challenges		1. Reduced competitiveness of ACP exporters due to (a) increase in trade costs, (b) increase in production costs, (c) burden of compliance costs	1. Lack of fit with the national context. Several ACP countries are heavily forest-endowed: agricultural development in these countries may not be possible without a degree of deforestation.	1. The Directive affects all the sectors in which the ACP countries are known to have a strong comparative advantage. This can affect their future economic development.
		2. Future industrialization potential can be dented, especially if the CBAM coverage expands	2. Lack of compliance capacity by (smallholder) producers and risk of exclusion from the EU market.	2. The Directive does not address the root causes of human rights violations and environmental damage by MNCs. These arise typically from the power imbalances between MNCs and their host countries.

		Proposal for a CBAM	Regulation on Deforestation	Directive on CSDD
		3. The CBAM may divert ACP countries' attention from adapting to climate change to mitigating climate change (in order to cut embedded emissions).	3. Smaller exporters impacted disproportionately given their low capacity to bear (fixed) costs of compliance (e.g. setting up traceability systems).	3. Weak legislative and institutional frameworks, especially in African countries.
Opportunities		1. The CBAM can encourage a shift to cleaner technologies and accelerate ACP countries' energy transition. This will allow African countries to exploit more fully their abundant renewable energy potential.	1. Some ACP countries (e.g. Ghana in the cocoa sector) have successfully set up farm management systems, which can serve as a model to other countries.	1. The Directive can help stop uncontrolled deforestation in ACP countries 2. It can also encourage increased compliance with existing legislations
		2. Firms that invest in clean technologies can get a head start	2. Traceability requirements may actually empower smallholders by bringing them closer to their buyers.	3. Improved business environment and competitiveness in the ACP in the long run
		3. Investing in capacity to administer emissions can have positive externalities resulting in better data collection - useful for complying with the Regulation on Deforestation and the DD Directive.	3. The Regulation is a wake-up call to ACP countries to diversify their production and their export markets	
Policy/ advocacy options for the Secretariat		The ACP group should embrace, rather than challenge, the CBAM. They should see in it a promise to get bigger amounts of aid and technical assistance from the EU.	There is a global effort to tackle climate change, including by curbing deforestation. The ACP group cannot go against this current. They must accept the Regulation and comply with it.	The ACP group should adopt a positive, pragmatic approach towards the Directive and focus on its benefits rather than on challenges.
In respect of:	ACP governments	1. Inform ACP governments about the CBAM and its likely impacts, especially on high-risk countries and sectors	1. Inform ACP governments about the Proposal, highlighting its impacts, especially for 'high-risk' countries.	1. Inform ACP governments about the Directive, highlighting its potential benefits and adverse impacts, and identifying countries most at risk
		2. Invite ACP governments to engage with producers/ exporters to ensure they are CBAM-ready. Governments can subsidize investment by firms in compliance capacity.	2. Urge ACP governments to: (a) Undertake an audit of national forestry laws and take stock of the challenges to their effective implementation	2. In preparation for the Directive, urge ACP governments in 'high-risk' countries to: (a) Prepare a list of cases of human rights violations and environmental damage by

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			(b) Highlight recent partnerships and initiatives for better forest management (c) Carry out an assessment of existing mechanisms to register/monitor farmers. Consider setting up a central registry or database (d) Engage with farmers on the need to provide accurate geolocation data	MNCs in recent years, and the way they were resolved or handled. (b) Prepare a list of international standards and certifications adopted recently and take stock of progress in their implementation (c) Undertake a candid assessment of their current institutional and legislative frameworks with a view to identifying gaps.
		3. Encourage ACP governments to explore options for setting up a national database for emissions monitoring	3. Encourage ACP governments to take decisive actions to remedy cases of deforestation as a gesture of stewardship.	3. Encourage ACP governments to start working to improve their country's environmental standards and human rights records.
		4. Encourage ACP governments to accelerate the clean energy transition.	4. Press ACP governments to take longer-term measures to shift production and exports away from high-risk sectors.	
	ACP business	1. Sensitize the business community, especially producers/ exporters of covered products, about the CBAM and its anticipated negative impacts.	1. Inform the business community, especially in potentially 'high-risk' countries, about the Regulation and its likely impacts	1. Inform the business community, especially in potentially high-risk countries, of the Directive and its likely impacts
		2. Encourage at-risk operators to start (a) thinking about investing in capacity to demonstrate better-than-default emissions values, (b) considering investment in cleaner technologies, (c) Exploring alternative export markets	2. Urge farmers/associations to engage more actively with their EU buyers for enhanced due diligence 3. Encourage farmers to invest in traceability systems to enhance their competitiveness and position in the supply chain.	2. Highlight the opportunities the Directive present for business (to improve their reputation and competitiveness) 3. In consultation with the government, prepare cost estimates of complying with the Directive
	The EU	1. Sensitize the EU to the economic realities of ACP countries, which are among the poorest in the world	1. Sensitize the EC to the socio-economic reality of ACP, especially African, countries.	Sensitize the EU on the potential impacts of the Directive on ACP countries, emphasizing that the due diligence

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				obligation should not impose disproportionate costs on local businesses, with low compliance capacity.
		2. Invite the EC to carry out an independent assessment of the CBAM's impacts on ACP countries.	2. Invite the EC to carry out an impact assessment of the Regulation on ACP countries	2. Negotiate support measures from the EC, including: (a) Aid and technical assistance for reinforcing national institutional and legislative frameworks and monitoring mechanisms (b) Financial support to SMEs to bear compliance costs while protecting their competitiveness (c) Technical assistance for implementing best practices in human rights and environmental protection in ACP countries.
		3. Impress upon the EC the fact that ACP countries are victims of climate change and should be more concerned with adaptation measures than mitigation measures, as implied by the CBAM.	3. Engage the EC in a political dialogue to find transition paths to deforestation-free supply chains in African countries	
		4. Seek technical cooperation and aid from the EU.	4. Seek technical assistance in the field of sustainable forest governance	
		5. Urge the EC to use CBAM revenues to support low-carbon transition in ACP countries	5. Seek financial support to (a) undertake investments in modern geolocation management systems, and (b) compensate farmers for loss of income if they are excluded from the EU market, or if their farms have to be moved out of protected areas.	
			6. Lobby the EC so that no ACP country is placed in the high-risk category.	